

PRESS RELEASE

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Conyers Releases Perle IG Report; Calls for Legislation to Fix Conflict of Interest Loopholes

Rep. John Conyers, Jr. issued the following statement in connection with the report issued by the Department of Defense's Inspector General regarding allegations of conflict of interest and misuse of public office involving Richard Perle (the report was requested by Mr. Conyers on March 24, 2003):

"The IG's report confirmed what I have suspected for some time – that Mr. Perle has benefitted financially by working for firms with major business before the very agencies he was entrusted to advise. In one case, Perle was even willing to tout his government position and ties as part of his consulting business. While the IG concluded this course of behavior did not technically violate the law, it is clear too that his conduct constitutes a breach of faith with the American people. As a result, I intend to introduce legislation that would eliminate the legal loopholes identified in the report."

The IG's report included the following findings:

– Perle appears to have represented Global Crossing and Loral in matters pending before the Defense Department, but escaped violations of the conflict of interest laws by virtue of the fact that he was only considered to be in the employ less than the required 60 day period. (IG Report, Pg. 3) Conyers noted, "To me it is absurd that a position as powerful as Chairman of the Defense Policy Board is treated as a small time adviser, when, in the present Administration the position has taken on a decisive advisory role."

– Perle signed an affidavit claiming that his position as Chairman of the Defense Policy Board gave him a "unique perspective on and intimate knowledge of national defense and security issues." (IG Report, Pg. 3) Conyers stated, "the fact that the offending language was subsequently removed from the affidavit, of course, doesn't change the reality of the assertion, or the awkwardness of the conflict."

– "Perle met with Saudi Arabian businessmen at a luncheon in Marseilles, France, in January 3, 2003." (IG Report, Pg. 3) Conyers noted, "the fact that the IG could not identify a specific *quid pro quo* by the Chairman for obtaining investments in Perle's defense venture capital firm, does not eliminate the appearance of impropriety that comes with confirmation of such a meeting."

– "Perle contacted State Department officials on behalf of his client Loral" and "participated in a telephone conference call with investors as a paid consultant of Goldman Sachs." (IG Report, Pg. 3-4) Conyers reiterated, "it is repugnant to me that an individual trusted with advising our government on matters of war would go on to benefit financially from those very ties."

Conyers concluded: "My legislation will include several provisions to respond to the abuses highlighted in the report. Among other things, the law needs to include a hard and fast rule preventing high ranking officials such as the Chairman of the DPB from profiting from their positions, and we also need to increase disclosure of these business ties to the public. There is no reason the public cannot scrutinize these relationships for conflict of interests on their own. To bring these conflicts to light, I will consider language that requires advisory committee members to make conflict of interest and ethics disclosures to Congress. The last thing we need is profiteering by our own trusted advisors at a time of war."